To decide how to invest, choose the investment option that best fits your personality and current situation. As your situation changes over time, you may want to consider changing your investment approach:

**MAKE AN ALL-IN-ONE CHOICE**

Ready to save in the plan, but don’t have the time or inclination to decide which direction to take your investments? It’s easy to get started with an all-in-one portfolio.

**MANAGE IT YOURSELF**

If you enjoy learning about investments and want to build your own portfolio from the lineup of investments offered in your plan, choose this option. Of course, when it comes to retirement plan investing, even do-it-yourselfers don’t have to go it alone. Lincoln is committed to making sure you have the information and tools you need to make informed decisions.

*Keep a big-picture perspective*
One diversified portfolio managed for you

You don't have to spend a lot of time and effort researching investments to take advantage of your retirement plan. These professionally designed all-in-one investment options may be all you need.

Target-date options are designed to allow you to invest your contributions across a broadly diversified portfolio with just one selection. You choose the option that most closely matches the year you expect to retire — your target date — and it’s all managed for you. Target-date options seek more growth in the early years, then gradually become more conservative over time as you approach retirement.

The target date is the approximate date when you plan to retire or start withdrawing your money. Target-date investment options continue to adjust the asset allocation to a more conservative mix until the target date is reached, and sometimes beyond (see prospectus for the fund’s allocation strategy). As with most of the investments offered in your plan, the principal value of this option is not guaranteed at any time, including at the target date. An asset allocation strategy does not guarantee performance or protect against investment losses. A “fund of funds” has an additional level of expensing.

While you can take comfort in having the big investing decisions made for you, you may want to revisit your choices as your situation or risk tolerance changes.
TARGET-DATE FUNDS

A target-date fund is designed to simplify long-term investing by allowing you to make a single choice for your portfolio based on your expected year of retirement.

As that date approaches, your asset allocation is automatically adjusted from a more aggressive approach to a more conservative approach to help protect you from losses just before retirement.

The target date is the approximate date when investors plan to retire or start withdrawing their money. The principal value is not guaranteed at any time, including at the target date. See the fund’s prospectus or similar document for the fund’s allocation strategy. A “fund of funds” has an additional level of expensing.

Morningstar Glide Path

This illustration from Morningstar depicts how asset allocations change as a target-date investment nears and passes its maturity date.

Let’s say you plan to retire in 2040 and are considering a target-date investment with that maturity date. In 2020, you have 20 years until retirement. In 2040, you are at the target maturity date (Year 0). In 2050, you are 10 years past retirement. This example depicts how allocations shift along those time points, from a more aggressive approach to a more conservative one.
Make an all-in-one choice

TARGET-DATE FUNDS

American Funds 2010 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 12% International Stock
- 28% U.S. Stock
- 53% Bond
- 1% Other
Fund ID: RDATX

American Funds 2015 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 13% International Stock
- 31% U.S. Stock
- 49% Bond
- 1% Other
Fund ID: RDBTX

American Funds 2020 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 13% International Stock
- 33% U.S. Stock
- 46% Bond
- 1% Other
Fund ID: RDCTX

American Funds 2025 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 18% International Stock
- 39% U.S. Stock
- 36% Bond
- 1% Other
Fund ID: RDDTX

Diversification does not ensure a profit or protect against a loss in a declining market.
TARGET-DATE FUNDS

American Funds 2030 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 22% International Stock
- 45% U.S. Stock
- 26% Bond
- 1% Other

American Funds 2035 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 26% International Stock
- 52% U.S. Stock
- 15% Bond
- 1% Other

American Funds 2040 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 28% International Stock
- 54% U.S. Stock
- 11% Bond
- 1% Other

American Funds 2045 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 28% International Stock
- 55% U.S. Stock
- 10% Bond
- 1% Other

Diversification does not ensure a profit or protect against a loss in a declining market.
TARGET-DATE FUNDS

American Funds 2050 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 28% International Stock
- 56% U.S. Stock
- 9% Bond
- 1% Other
Fund ID: RDITX

American Funds 2055 Trgt Date Retire R4
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 28% International Stock
- 56% U.S. Stock
- 9% Bond
- 1% Other
Fund ID: RDJTX

American Funds 2060 Trgt Date Retire R6
Asset Allocation as of 12/31/2018
- 6% Cash/Stable Value
- 28% International Stock
- 56% U.S. Stock
- 9% Bond
- 1% Other
Fund ID: RFUTX

Diversification does not ensure a profit or protect against a loss in a declining market.
Your plan offers a number of funds to choose from. Some invest in stocks, others in bonds or stable value/cash, and some in a combination of more than one type of asset. A well-diversified portfolio — one that includes exposure across the asset classes — can help you balance potential return with your ability and willingness to weather the ups and downs of the market.

**Stocks** are shares of ownership (or equity) in a company. They’re also called “equities.” Stocks carry greater risks than bonds, balanced options and cash options, but historically have offered the greatest potential for long-term growth.

**Bonds** are debt securities that intend to pay the holder the original amount invested plus interest on a specific future date. Bonds offer lower potential risk and lower potential returns than stocks.

**Cash/stable value** investments generally hold short-term money market instruments that seek to preserve their value and pay a low level of interest. While these investment options may help you add some stability to your account value, by themselves they may not provide the growth necessary to help you outpace inflation over the long run.

**Balanced/asset allocation** funds contain a mix of stocks and bonds. Because stocks and bonds tend to perform differently at any given time, balanced funds are designed to help smooth out the ups and downs of investing while still seeking some growth from stocks. Therefore, they offer a level of risk between pure stock funds and pure bond funds, and their level of potential return is also in-between the two. With a single, broadly diversified balanced fund, you may not need to include any other funds in your portfolio. Please note that participation in an asset allocation program does not guarantee performance or protect against loss.

Need help building your portfolio? Refer to the “Manage it Yourself – Investor Profile Quiz” in the back of the kit.
STILL UNDECIDED?

Still don’t know which investments to choose, but you do know that you want to participate in the plan? If you elect a savings rate but don’t elect your investment options, that’s OK — you’ll default into the Default Investment Alternative (DIA) selected by your employer. It’s an investment fund or portfolio designed to provide both long-term appreciation and capital preservation through a mix of stock and bond investments. Management of the fund’s or portfolio’s investments might be based on your age, your target retirement date, or the overall age of the plan’s employees. You decide your contribution level now — and you can always choose your own investments later.

Your Plan's DIA For your plan’s DIA, your employer has selected an option based on your target retirement date. Refer to this chart to see how you will default if you elect a savings rate but don’t elect your investment options.

<table>
<thead>
<tr>
<th>Target date option</th>
<th>Year of retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Funds 2010 Trgt Date Retire R4</td>
<td>2012 or earlier</td>
</tr>
<tr>
<td>American Funds 2015 Trgt Date Retire R4</td>
<td>2013 to 2017</td>
</tr>
<tr>
<td>American Funds 2020 Trgt Date Retire R4</td>
<td>2018 to 2022</td>
</tr>
<tr>
<td>American Funds 2025 Trgt Date Retire R4</td>
<td>2023 to 2027</td>
</tr>
<tr>
<td>American Funds 2030 Trgt Date Retire R4</td>
<td>2028 to 2032</td>
</tr>
<tr>
<td>American Funds 2035 Trgt Date Retire R4</td>
<td>2033 to 2037</td>
</tr>
<tr>
<td>American Funds 2040 Trgt Date Retire R4</td>
<td>2038 to 2042</td>
</tr>
<tr>
<td>American Funds 2045 Trgt Date Retire R4</td>
<td>2043 to 2047</td>
</tr>
<tr>
<td>American Funds 2050 Trgt Date Retire R4</td>
<td>2048 to 2052</td>
</tr>
<tr>
<td>American Funds 2055 Trgt Date Retire R4</td>
<td>2053 to 2057</td>
</tr>
<tr>
<td>American Funds 2060 Trgt Date Retire R6</td>
<td>2058 and After</td>
</tr>
</tbody>
</table>

The target date is the approximate date when you plan to retire or start withdrawing your money. Target-date investment options continue to adjust the asset allocation to a more conservative mix until the target date is reached, and sometimes beyond (see the prospectus for the fund’s allocation strategy). As with most of the investments offered in your plan, the principal value of this option is not guaranteed at any time, including at the target date. An asset allocation strategy does not guarantee performance or protect against investment losses. A “fund of funds” has an additional level of expensing.
Take the long-term view 

Studies show that investor behavior has a greater effect than fund selection on investment results. That’s because dramatic swings in the market can lead investors to panic, selling stock funds when the market is down and buying them when it’s up.

- In 2015, the average equity mutual fund investor underperformed the S&P 500 by a margin of 3.66%. While the broader market made incremental gains of 1.38%, the average equity investor suffered a more-than-incremental loss of -2.28%. 
- Both the average equity and fixed income investor underperformed the market on 1-, 3-, 5-, 10-, 20- and 30-year annualized bases.
- The average fixed income investor has not kept up with inflation on 1-, 3-, 5-, 10-, 20- and 30-year annualized bases.

When you’re investing for retirement, you usually have time to weather short-term market losses. Diversifying your portfolio with stock, bond and money market funds can help to even out the highs and lows.

Stay diversified

Spreading your holdings across the basic asset classes can help to keep your savings growing while minimizing volatility. To further minimize the risk of loss, it’s also important to stay diversified within the asset classes — by dividing your stock investments among funds with different strategies (for example, those that invest in large, medium and small companies). Plus, look at each fund’s underlying holdings. A broadly diversified fund that’s invested in hundreds of stocks is inherently more diversified than one that holds just 20. Your time until retirement may change how much you invest in each asset class; still, diversification remains a good idea throughout your investing life.

Review your choices at least annually

A good rule of thumb is to annually review your investment approach to see if it is moving you toward your retirement savings goal. You may want to reconsider your choices if you experience significant life changes. Also, rebalancing can help keep you on track. If your plan offers automatic rebalancing, you can even set your asset allocations to periodically align to their target levels without any effort on your part. To see if this service is offered in your plan, access your plan website at LincolnFinancial.com/Retirement. Keep in mind that neither diversification nor participation in a rebalancing program guarantees performance or protects against loss.

Important note: If you have chosen an asset allocation portfolio, there is no need to set up automatic rebalancing; automatic rebalancing is already part of the portfolio service. In fact, adjusting your allocations or setting automatic rebalancing after you have invested in a portfolio will move you out of your portfolio. You will then be responsible for all future allocation changes.

Be mindful of inflation

While the ups and downs of the market represent risks for short-term investors, inflation is the bigger enemy of long-term investors. For example, if inflation averages 3% a year, and your money is invested in a money market fund returning 4% a year, it’s as if you’re gaining only 1% each year! If the return on your investments doesn’t keep up with rising prices, you may not have the buying power you’ll need in the future. That’s why long-term investors may want to include stock investments in their portfolios — because they have greater potential to exceed the inflation rate over the long term than other investments. Yes, stocks can post big losses over days, weeks or months. However, they haven’t lost ground during any rolling period of 20 years or longer since 1926.

1 “Quantitative Analysis of Investor Behavior, 2016” Dalbar Inc.
2 Some redemption fees may apply.